

CHAPTER 5 ACCOUNTING/INVOICES**CONTENTS**

Section	Subject	Page Number
5.1	REQUIREMENT FOR REIMBURSEMENT	5-3
5.2	TYPES OF INVOICES	5-5
5.3	FORMAT OF LOCAL AGENCY INVOICES	5-5
5.4	REIMBURSABLE PROJECT COSTS	5-8
	Direct Cost Reimbursement	5-9
	Indirect Cost Reimbursement	5-9
5.5	EXPEDITED PAYMENT PROCEDURES	5-12
	Accelerated Payment of Invoices Through the State Controller's Office	5-12
	Alternative Construction Progress Payment Procedure	5-12
5.6	FINAL EXPENDITURE REPORTS	5-14
5.7	AUDIT OF LOCAL AGENCY EXPENDITURES	5-14
5.8	FINAL PROJECT COSTS	5-15
5.9	FINAL REPORT OF EXPENDITURES ON PROJECTS ADMINISTERED BY THE STATE	5-15
5.10	AUDIT OF STATE EXPENDITURES	5-15
5.11	FINAL PROJECT COSTS OF STATE-ADMINISTERED PROJECTS	5-15
5.12	SERVICE CONTRACTS	5-16
5.13	INVOICE CHECKLIST BEFORE SUBMITTING TO LOCAL PROGRAM ACCOUNTING	5-16

FLOW CHARTS

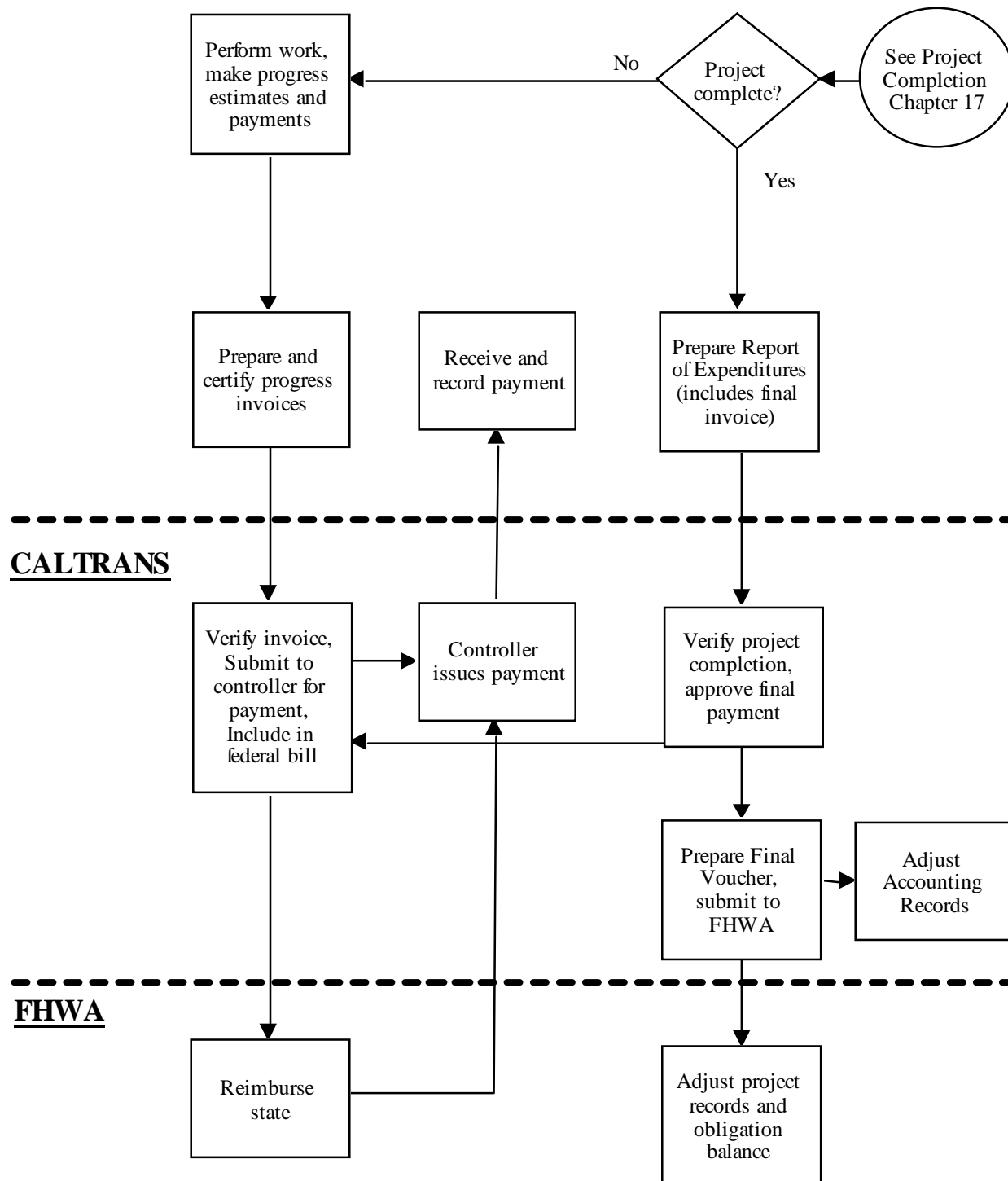
Chart	Description	Page Number
5-1	INVOICE PROCESSING	5-1

EXHIBITS

Exhibit	Description	Page Number
5-A	SAMPLE FEDERAL-AID INVOICE (EXCEPT FOR TEA AND STIP PROJECTS) ..	5-19
5-B	SAMPLE FEDERAL-AID INVOICE WITH TWO APPROPRIATIONS & DIFFERENT REIMBURSEMENT RATES	5-21

EXHIBITS CONTINUED

Exhibit	Description	Page Number
5-C	SAMPLE OF STATE PROJECT INVOICES	5-25
5-D	SAMPLE RIGHT OF WAY INVOICE	5-27
5-E	SAMPLE OF “STIP PROJECT” FEDERAL INVOICE	5-29
5-F	SAMPLE OF “STIP PROJECT” STATE INVOICE	5-31
5-G	SAMPLE OF TEA PROJECT INVOICE	5-33
5-H	ALTERNATIVE PAYMENT PROCEDURE SAMPLE	5-35
5-I	COGNIZANT FEDERAL AGENCIES	5-37
5-J	SAMPLE INDIRECT COST RATE PROPOSAL	5-39

INVOICE PROCESSING
For Developing All Local Federal-Aid Projects**LOCAL**
AGENCY

OLP 2/96

This page intentionally left blank

CHAPTER 5 ACCOUNTING/INVOICES

The purpose of this chapter is to provide a local agency with the basic information required to obtain reimbursement for their expenditures on local Federal-aid and State funded projects. More information may be obtained from Local Program Accounting (LPA) through the District Local Assistance Engineer (DLAE), if required. Most payments made under these provisions are for expenditures paid by the local agency prior to claiming reimbursement from Caltrans. The exceptions to this reimbursement concept are:

State-Local Transportation Partnership Program (SLTPP) projects involving \$300,000 or less in State funds receive the full State share of funding at the time of contract award. This lump sum payment is considered a “grant” and is reimbursed regardless of final cost. The local agency is responsible for ensuring that these funds are used consistent with the project application. Final inspection and accounting reconciliation are not performed.

SLTPP projects involving more than \$300,000 in State funds can be reimbursed at 100 percent of incurred cost for the State share. Progress billings are reimbursed at 100 percent until the total State share is fully reimbursed. A final inspection (final inspection report and final report of expenditures required) and audit is required to establish actual eligible project costs within 6 months after the end of the fiscal year in which the project is completed.

Environmental Enhancement and Mitigation (EEM) projects in which there is a request for direct deposit of EEM funds into an escrow account. DLAE-approved invoices must be submitted to LPA within 30 days prior to closing escrow for the purchase of property.

Planning, Programming, & Monitoring (PPM) and Rideshare (RPRSL) projects. Caltrans has prepared a standard agreement for the distribution of these funds which allows lump sum “up front” payments to all agencies which programmed \$300,000 or less per fiscal year. Agencies which receive over \$300,000 will be paid on a reimbursed basis.

State Match and Exchange Program (X projects) and TEA Exchange Program (TX projects). These funds are advanced to the local agencies to be spent in accordance with the provisions in the local agency-state agreement. It is the responsibility of the Regional Transportation Planning Agencies (RTPA) to provide LPA and the DLAE with an annual report on these funds. The report, with an as-of date of June 30, is due August 1 of each year. It must show the amount of funds unspent, the amount spent that year by the RTPA, and amount given to each of the Cities and/or County. Failure to provide this report will result in future year exchanges being held in abeyance. The State Controller’s Office (SCO) will review the actual expenditures to verify compliance with the State Law.

5.1 REQUIREMENT FOR REIMBURSEMENT

Local agency invoices are routinely processed for payment within twenty-five (25) days of the date LPA receives the invoices provided that:

- The State legislature and Federal government have provided budget authority and the project has met all program budget conditions, e.g. timely use of funds.

- The Program Supplement, project agreement, or some other required applicant-State agreement has been executed. These documents are agreements between the State and local agency (or applicant) which must be executed prior to the reimbursement of Federal and State funds for each project. It identifies the reimbursable phases of work as well as types and amounts of Federal, State, and local funds used to finance the project.
- If Federal funds are used on a project, a project agreement between Caltrans and FHWA must be executed prior to LPA processing invoice reimbursement to the local agencies. This is necessary to allow Caltrans to be reimbursed by FHWA for Federal funds paid on the local agency's invoices. Therefore, the local agency must provide the DLAE with the required documents so that the project agreement can be executed with the FHWA.
- If you are claiming reimbursement of indirect costs, you must have an Approval Letter for the fiscal year involved from Caltrans Audits & Investigations before you can request reimbursement for those costs. If a project involves more than one fiscal year, separate approvals are needed for each fiscal year. Complete the Indirect Costs Calculation section on the Invoice and enter the Indirect Costs to Date on the first page of the invoice.
- If Emergency Relief funds are used on a project, all restoration work must be done at the normal reimbursement ratio for the highway facility on which the ER project is located (88.53% on local highways). Emergency Opening work necessary to restore essential services that is accomplished within 180 days calendar days following the incident period will be reimbursed at 100%. See Chapter 11, Local Assistance Program Guidelines, for additional details.
- If a Federal project is not funded at its full pro-rata share, the reimbursement ratio shown on the invoice must be at the lower rate. The reimbursable ratio is computed by dividing the amount of Federal funds authorized for the project, by the total costs or the total participating costs, whichever is less. For example, STPL-XXXX(XXX) has a normal pro-rata share of 88.53%; the total costs of the project are \$100,000, the total participating costs are \$80,000, and the total Federal funds are \$60,000 for Federal Appropriation Code Q24. Using this data, the invoice should reflect a reimbursable ratio of 75%. On the final invoice, the reimbursable ratio may float up to 88.53% to allow all of the Federal funds to be used.
- Reimbursements requested do not exceed authorized amounts. If an invoice labeled "progress invoice" requests all of the funds available on the current executed documents, LPA will consider the invoice a "final" invoice. Since the "final" invoice requires District approval, LPA will return the invoice to the local agency to follow the prescribed final payment procedures.
- The invoice submitted contains the required information and if a final invoice, it is accompanied by the required final reports and approved by the DLAE or other designated authorities.
- Local agencies may submit invoices for reimbursement of participating project costs monthly. Amounts claimed must reflect the cost of completed work. Local agencies must claim all reimbursable work within 180 days of project completion, or prior to the expiration date of the project agreement, whichever comes first.

- At the end of fiscal year (June 30), it is very important for the local agencies to invoice Caltrans timely for all incurred project costs so that accrued expenditures are properly identified on the State financial statements.

5.2 TYPES OF INVOICES

We have provided seven sample invoices for the most common projects. Use the appropriate one for your project.

1. Federal-aid invoice with one appropriation or two appropriations with the same reimbursement rate (see Exhibit 5-A). Do not use for Transportation Enhancement Activities (TEA) or Local Grant Projects in the State Transportation Improvement Program (STIP) projects.
2. Federal-aid invoice with two appropriations with different reimbursement rates (e.g. 80% and 88.53%). See Exhibit 5-B. Do not use for Transportation Enhancement Activities (TEA) or Local Grant Projects in the STIP projects.
Note: Emergency relief projects (ER) that have different reimbursement rates must clearly identify the time period of costs incurred.
3. Sample invoice for State programs (see Exhibit 5-C)
4. Sample Federal-aid invoice for Right of Way (see Exhibit 5-D)
5. Local Grant Projects in the STIP project invoices (see Exhibits 5-E and 5-F)
6. Transportation Enhancement Activities (TEA) project invoices (see Exhibit 5-G)
7. Sample invoice for Alternative Payment Procedure (see Exhibit 5-H)

5.3 FORMAT OF LOCAL AGENCY INVOICES

Provided below are detailed instructions which will assist you in properly completing your invoice.

1. Invoices must be submitted on local agency letterhead with local agency's address.
2. Invoices must have a current date when sent to the District or to LPA
3. Invoices must be certified and signed by the appropriate responsible persons in the local agency.
4. Invoices must have one original and two copies with one copy of the back-up documentation for costs incurred and claimed for reimbursement when mailed to the District or LPA.
5. Progress invoices are transmitted directly to LPA at:

Department of Transportation
Accounting Service Center, MS 33
Local Program Accounting Branch
P.O. Box 942874
Sacramento, CA 94274-0001

6. Final invoices must be submitted to the DLAE as part of the Final Report of Expenditures. The DLAE verifies project completion and approves payment before forwarding the one original and two copies of the final invoice to LPA.
7. For Local Grant Projects in the STIP projects, preliminary engineering phase must be separated into Environmental Studies/Permits; and Plans, Specifications and Estimates (PS&E).
8. The invoice format may vary, but the following information must be included:
 - a) Date of invoice. If the invoice was returned to the local agency for any reason, it must be re-dated when resubmitted to the District or LPA.
 - b) Progress billing number. This is a serially assigned number that begins with #1. This progress billing number allows LPA to determine that they have received all the invoices for a project.
 - c) Invoice number (local agency accounting system assigned number), if applicable
 - d) Federal-aid or State project number, e.g. prefix-project number, STPL- 5012(005), CML- 5006(089), ER- 3632(002), etc
 - e) Local agency Federal Tax Identification Number
 - f) Date project accepted by the local agency (for final invoice only). Show "On going" if project is not complete.
 - g) Project location
 - h) Project Expenditure Authorization No. (E.A.#)
 - i) Local Agency/State Agreement and supplement numbers; and date executed
 - j) Phase of work headings such as preliminary engineering, right of way, construction engineering, construction contract
 - k) Federal Appropriation Codes
 - l) Federal authorization date for each phase of work
 - m) Time period for which claimed Federal participating costs were incurred and paid for each phase of work. **Costs incurred prior to the Federal authorization date (FNM 76) are not eligible for Federal reimbursement.**

- n) Cost breakdown by Federal appropriation code for preliminary engineering (if for Local Grant Projects in the STIP projects, Preliminary Engineering (PE) has to be segregated into Environmental Studies/Permits, and PS&E), construction engineering and construction, as follows:
- Total indirect costs of project to date, if claimed, by phases of work. Indirect costs are described in Section 5.4 below. Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base. Complete the Indirect Cost Calculation Section of the invoice and transfer the computed Indirect Cost to Date to the front of the invoice. Footnotes containing additional clarifying instructions are provided at the bottom of each sample invoice.
 - Total direct costs of project to date by phases of work. Direct costs are the labor, material, contract payments, and right of way acquisitions for project related activity. The phases of work and a fuller discussion of direct costs are in Section 5.4 below.
 - Less total retention amount withheld from contractor. At the end of the project and after all retention has been released, the amount should be zero.
 - Less liquidated damages
 - Less non-participating costs (these are ineligible costs that were incurred prior to Federal authorization date, or outside of the scope of the Federal project.)
 - Total Federal participating costs to date
 - Less Federal participating costs shown on previous invoice
 - Change in participating costs
 - Federal and/or State reimbursement ratio. Federal reimbursement rate may vary depending on projects such as 80%, 88.53%. If State funds are matching the Federal funds, the combined reimbursement of Federal funds and State funds will be 100%. If a Federal project is not fully funded, see the discussion in Section 5.1, 6 above, for detailed instructions on how to compute the reimbursable ratio.
 - When multiplying the “Change in participating costs” by the “Reimbursement Ratio,” the result must be rounded down to the lowest cent. Federal rules do not allow rounding up.
 - Federal reimbursement amount
 - State reimbursement amount
 - Total amount of claim
- o) Certification, printed name, title and signature of the local agency responsible person

- p) Specific contact person and phone number for LPA to contact if there are problems with invoices

NOTE: One copy of backup information shall accompany each invoice sent to LPA. For construction contract progress payments, the backup is the agency's progress payment estimate to the contractor. For final invoices, the Report of Expenditures package is the backup. See Chapter 13, "Right of Way," of this manual for backup required for right of way payments.

5.4 REIMBURSABLE PROJECT COSTS

In addition to construction contract costs and right of way purchases, the costs of salaries, wages, and related costs of local agency personnel may be reimbursable for the following activities:

1. Preliminary engineering: Preliminary engineering is the location, design, and related work preparatory to the advancement of a project to physical construction. For Local Grant Projects in the STIP projects, these costs must be segregated into:
 - a. Environmental Studies and Permits
 - b. Plans, Specifications & Estimates
2. Construction engineering: Construction engineering is the supervision and inspection of construction activities; additional staking functions considered necessary for effective control of the construction operations; testing materials incorporated into construction; checking shop drawings; and measurements needed for the preparation of pay estimates.
3. Acquisition of rights of way: Acquisition of rights of way, real property, or rights thereto are included as the preparation of right of way plans; making economic studies and other related preliminary work; appraisal for parcel acquisition; review of appraisals; preparation for and trial of condemnation cases; management of properties acquired; furnishing of relocation advisory assistance; and other related labor expenses (see "Reimbursement of Local Agency's Expenditures" in Chapter 13, "Right of Way").

Note: Right of way rental income may be retained by local agencies but must be used for a valid Title 23 purpose.
4. Preaward Audit costs: Preaward audits are required for all engineering and design related service contracts and subcontracts. See Chapter 10 of this manual for more information.
5. Administrative settlement costs: Administrative settlement costs contract claims are services related to the review and defense of claims against federal-aid projects (see "Federal-Aid Participation" in Chapter 16, "Administer Construction Contract").

All costs are may be broken down into eligible direct and/or indirect cost components.

DIRECT COST REIMBURSEMENT

Direct costs are those that can be identified specifically with a particular final cost objective, that is—expenditures solely incurred for a specific Federal-aid/State funded highway project. They include contract payments, right of way acquisition, direct material, as well as salaries, wages, fringe benefits, and related costs which become eligible when an individual participates in project-related activities. Typical direct costs chargeable to Federal-aid/State funded projects are:

- Compensation of employees for the time devoted and identified specifically to the performance of the project phase for which the Federal-aid/State funding was approved. This is usually permissible up to the first level of supervision dedicated to the project.
- Cost of materials consumed, or expended specifically for the purpose in which the participating Federal/State funds were authorized.
- Equipment and other approved capital expenditures.
- Travel expenses incurred specifically to carry out the purpose in which the participating Federal/State funds were authorized.

Supervision activities above the first level are usually recoverable as indirect costs.

INDIRECT COST REIMBURSEMENT

At the discretion of the local agencies, indirect costs may be included when seeking reimbursement for their Federal-aid highway projects, as well as State funded projects. Specifically, this applies to federally authorized work with costs incurred after June 9, 1998, all STIP projects, and to any State funded project. However, any completed project with a Final Report of Expenditures will not be eligible for retroactive indirect cost reimbursement.

These procedures are based on the Office of Management and Budget (OMB) Circular A-87 entitled *Cost Principles for State, Local and Indian Tribal Governments* and the *Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government* (ASMB C-10) from the United States Department of Health and Human Services.

SUBMISSION OF PROPOSAL

A local agency which has been assigned a cognizant Federal agency by the OMB must submit its indirect cost rate proposal and central service cost allocation plan to its cognizant Federal agency for approval. A list of the cognizant Federal agencies assigned to State and local agencies is found in the Federal Register; excerpts for California agencies are provided in Exhibit 5-I. If the assigned cognizant Federal agency is the U.S. Department of Transportation (DOT) as listed in Exhibit 5-I and FHWA provides the largest amount of Federal funds compared to other DOT administrations, the indirect cost rate proposal and central service cost allocation plan will be submitted to Caltrans Audits and Investigations for approval under delegation from the FHWA, California Division.

Local agencies not having an assigned cognizant Federal agency and/or who have not been required by their cognizant Federal agency to submit their indirect cost rate proposal and central service cost allocation plan for review and approval, will submit their proposals to Caltrans Audits and Investigations for their review and approval under delegation from the FHWA, California Division.

Local agencies which have an indirect cost rate proposal and central service cost allocation plan approved by a cognizant Federal agency will submit a copy of their approved proposal and plan and subsidiary worksheets and other relevant data, as detailed below, to Caltrans Audits and Investigations for their review and information.

Mail indirect cost rate proposal and central service cost allocation plan to: Caltrans Audits and Investigations, MS 2, P.O. Box 942874, Sacramento, CA 94274-0001, Attention: External Audits, Review of ICAP.

DOCUMENTATION OF PROPOSAL

All local agencies desiring to claim indirect costs for Federal-aid and/or State funded projects must prepare an indirect cost rate proposal and central service cost allocation plan and related documentation to support those costs. All documents relating to the indirect cost rate proposal and central service cost allocation plan must be retained for audit in accordance with the records retention requirements in the "common rule," Title 49 of CFR Part 18. The following shall be included with each proposal as prescribed by OMB Circular A-87:

Indirect Cost Rate Proposal

1. Schedule showing calculation of rates proposed including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data noted below. Unless a cognizant Federal agency requires otherwise, the type of rate to be used is the "fixed rate" addressed in OMB Circular A-87, Attachment E, Section B, No. 6.
2. Subsidiary worksheets should include the following:
 - Schedule of actual direct/indirect costs incurred by cost category type (i.e., rent, utilities, etc.) as well as by department unit
 - Schedule of budgeted direct costs and indirect costs by cost category type and departmental unit
 - Schedule showing calculation of the over/under carry forward provision when "fixed rate" is used
3. A copy of the financial data (financial statements, comprehensive annual financial report, etc.) on which the rate is based
4. The approximate amount of direct base costs to be incurred under Federal-aid reimbursement. These costs should be broken out between salaries and wages and other direct costs.
5. A chart showing the organizational structure of the agency during the period for which the proposal applies along with a functional statement noting the duties and/or responsibilities of all units that comprise the agency

6. Certification that the indirect cost proposal was prepared in a manner consistent with the cost principles of OMB Circular A-87

Local agencies who are required to submit their indirect cost rate proposal to Caltrans for approval, shall submit it in the sample format of Exhibit 5-J (includes documentation outlined in paragraphs 1, 2, and 6 above) along with the other required documentation (paragraphs 3, 4, and 5 above) to Caltrans Audits and Investigations at the address specified above.

Central Service Cost Allocation Plan

Local agencies who are required to submit their central service cost allocation plan to Caltrans for approval should submit a Certificate of Cost Allocation Plan, document their plan, and include supporting documentation in accordance with OMB Circular A-87, Attachment C. Also, see ASMB C-10 for a Sample Central Service Cost Allocation Plan and supporting documentation.

APPROVAL AND USE

If a cognizant Federal agency has approved the local agencies' indirect cost rate proposal and central service cost allocation plan for an approved time period/fiscal year in which reimbursement will apply and it was submitted to Caltrans Audits and Investigations (along with a copy of the approval letter) and Caltrans Audits and Investigations notified the local agency that it had accepted the approval, then the local agency may include indirect costs on its invoices.

If a local agencies' indirect cost rate proposal and central service cost allocation plan has not been approved by a cognizant Federal agency, then Caltrans Audits and Investigations will perform the review and approval. If Caltrans Audits and Investigations approves the indirect cost rate proposal and central service cost allocation plan, then they will issue an approval letter. The local agency may bill for indirect costs once they receive the approval letter.

The approval letter, either from the cognizant Federal agency (if accepted by Caltrans Audits and Investigations) or from Caltrans Audits and Investigations, will serve as the documentation needed to justify estimates and reimbursement invoices. Caltrans Audits and Investigations will forward a copy of the approval letter from the cognizant Federal agency or from Caltrans Audits and Investigations to Local Program Accounting for them to process the payment of invoices.

If Federal-aid highway funds or State funds participate in indirect cost reimbursement, all invoices must include a line item for indirect cost, showing the calculation (direct costs multiplied by the approved indirect cost rate). The preferred direct cost base is direct salaries and wages plus fringe benefits. Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.

Local agencies' indirect cost rates are calculated on an annual basis, so there may be several rates on a multiyear project. The rate may change from year to year. If the fluctuation causes a depletion of program funding, the local agency will be responsible for making up the difference.

Detailed information regarding allowable costs, cost allocation plans, and indirect cost rate proposals are available in OMB Circular A-87 and ASMB C-10. Both documents are available through the Internet: OMB Circular A-87 is at www.whitehouse.gov/OMB/circulars/a087/a087-all.html; and ASMB C-10 is at www.hhs.gov/progorg/grantsnet/index2.htm. Additionally, OMB Circular A-133 provides single audit information and may be accessed on the Internet at www.whitehouse.gov/OMB/circulars/a133/a133.html.

The sample invoice exhibits in the back of this chapter show how indirect costs should be billed.

5.5 EXPEDITED PAYMENT PROCEDURES

Invoices are normally paid within twenty-five days of receipt by Caltrans' Accounting Service Center. However, local entities may use the following expedited payment procedures when the normal process will result in significant hardship.

ACCELERATED PAYMENT OF INVOICES THROUGH THE STATE CONTROLLER'S OFFICE

Payment of invoices through the SCO may be accelerated for those local agencies experiencing severe cash flow problems upon payment of a fee by the local agency. Because of the labor-intensive effort by both Caltrans and the SCO, this process is not to be used routinely. This is necessary to ensure that other local agencies are not treated unfairly regarding their timely requests for invoice reimbursement. The acceleration can result in payment of invoices within five to ten days of receipt. A fee of \$75 for five days and \$10 for ten days whereas normal invoicing through the SCO will normally be processed within 25 days.

A letter authorizing LPA to deduct the SCO expedite fee must be sent to LPA with each invoice. The request must be in writing and include the reason for the expedite request. Local Program Accounting strongly advises that the local agency notify LPA one week in advance of the expedite request and indicate if future invoices for the same project will be expedited as well. This advance notification will help LPA and the State Controller Office to evaluate the project and take appropriate measures ensuring prompt processing of the expedite payments.

ALTERNATIVE CONSTRUCTION PROGRESS PAYMENT PROCEDURE

All Federal and most State funded local agency projects must be invoiced in arrears. This means that the local agencies must first make payments to their contractors and then request reimbursement from Caltrans for their costs. The alternative construction progress payment procedure is designed to assist local agencies in the implementation of their local transportation projects when they are experiencing severe cash flow problems and the "Accelerated Payment of Invoices through the State Controller's Office" procedure will not solve the problem. These problems could be the result of either:

- Unusual cash shortages within the local agency caused by economic or other conditions,
- The need to provide up front payment on an unusual large Federal or State transportation project, or
- Cash drain to repair damages caused by flood, earthquake or other acts of nature.

Since this alternative procedure requires extra work by Caltrans and thus adversely affects other agency processing, it will be used only for the **construction phase** of projects and should be used only as a last resort. Recent construction contract administration process reviews have found that some local agencies were not invoicing Caltrans for money that was due to them in a timely manner. Local agencies that have money due to them from local assistance projects or programs, but have not invoiced in a timely manner, will not be eligible to use this procedure since this would not demonstrate a cash flow problem.

Local Program Accounting will process a local agency's invoice based on estimated payments to the contractor in the same manner as normal reimbursement billings are paid. The invoice format for this alternative construction progress payment is shown in Exhibit 5-H. Local agencies should follow the following procedures when requesting use of these alternative payment procedures:

1. The governing board for the local agency must pass a resolution requesting use of this procedure for a specific project. The resolution must include the reasons for the request and a statement that all other options have been considered and that the project cannot be implemented, or will be delayed, unless this procedure is used. The local agency must also provide a written schedule of estimated monthly construction payments for the project. This resolution and estimated payment schedule should accompany the local agency's Request for Authorization to the DLAE for the construction phase of their project no later than 45 days prior to the first month's payment to the contractor. Earlier submittals will gladly be accepted. The DLAE will forward the estimated payment schedule to LPA through the Office of Local Programs.
2. After approval of the Request for Authorization and execution of the Program Supplement (which must include language allowing payment based on estimated costs), an invoice requesting payment for the first month's estimated payment (less local match funds), may be submitted to LPA. This invoice can be submitted anytime within 30 calendar days prior to the date of the first month's payment to the contractor. This will allow payment to be made to the local agency at approximately the same time they are required to pay the contractor. The "Accelerated Payment of Invoices through the State Controller's Office" procedures in this section cannot be used in series with this procedure.
3. The estimated payment amount shown on second and subsequent invoices must reflect the most current estimated payment to the contractor. In addition, the invoices will reflect the difference between the estimated payment claimed on the prior invoice and the actual payment made to the contractor.
4. The local agency must provide a final invoice and a final report of expenditures, showing actual project costs (including claims) within 180 days of project completion. This final invoice, the final report of expenditures, and final inspection forms must be sent to the DLAE for written approval. For Environmental Enhancement & Mitigation (EEM) projects, the final invoice and final report must be submitted 60 days prior to the expiration of the Budget Authority.
5. If Caltrans has overpaid, a check for the amount of overpayment by Caltrans, along with a copy of the final invoice, must be sent to LPA within 30 calendar days of the final invoice approval by Caltrans.

6. Failure by a local agency to adhere to all terms of this procedure will result in termination of the alternative payment procedure for that project.
7. For a project with Federal funds, only one month's payments will be made under these procedures if a PR-2 has not been signed by FHWA.

5.6 FINAL EXPENDITURE REPORTS

Within six months of project completion, the local agency is responsible for preparing and submitting to the DLAE the final report documents which collectively constitute the Report of Expenditures. For EEM projects, the final report (including the final invoice) must be submitted 60 days prior to the expiration of the Budget Authority. These report documents provide key information required to initiate timely project closure and payment. The Report of Expenditures is signed by the responsible person in charge of the project for the local agency. After the DLAE reviews and approves the "Report of Expenditures," including the final invoice, he/she will forward them to LPA for processing of the final reimbursement. Additional information can be found in Chapter 17 "Project Completion."

If the final invoice is returned to the local agency for error revision, the final invoice must be re-dated when resubmitted to the District or LPA.

5.7 AUDIT OF LOCAL AGENCY EXPENDITURES

The agency shall maintain written source document records that account for agency costs and payments made to consultants, vendors and contractors. Contract records must be retained by the local agency for a minimum period of three years from the date of final payment.

Local agency expenditures for all local assistance programs are subject to financial and compliance audits by the SCO and Caltrans Office of External Audits (OEA). The OEA's evaluation of a local agency's system of controls will determine if an on-site audit of the local agency's records (underlying the reported project) is necessary.

The auditors typically discuss any audit citation with the local agency before finalizing their audit reports. The local agency should provide any clarifications or raise any objections to the audit findings at this meeting.

Local agency expenditures for the Natural Disaster program may be audited by the Audits Division of the SCO or OEA because of the variety of funding sources and the need to determine the eligibility of expenditures for each funding source. Local Program Accounting coordinates the audit requests and receipt of audit reports with the audits units within SCO and OEA.

Local agencies are also subject to the audit requirements of the Federal Office of Management and Budget's Circular A-128. A single audit is required if an agency receives more than \$300,000 in Federal funds from all sources. Normally, project audits are not necessary if the expenditures for a project are covered by a single audit report accepted by the appropriate Federal agency.

5.8 FINAL PROJECT COSTS

The final project cost listed in the local agency's final invoice is analyzed by LPA to determine if the costs reported for each phase of work are eligible for Federal reimbursement. Eligible amounts for each phase of work, as determined from the analysis, are reconciled with the eligible costs recorded in the Caltrans' accounting system.

If it is determined that the Federal funds paid to a local agency are more than the amount eligible for reimbursement, LPA will initiate a Notice of Overpayment and submit it to the local agency for recovery of the overpayment. However, if it is determined that the amount paid to the local agency is less than the amount eligible for reimbursement, LPA will initiate a Notice of Final Payment and submit it to the local agency along with a payment for the amount due.

5.9 FINAL REPORT OF EXPENDITURES ON PROJECTS ADMINISTERED BY THE STATE

The final report of contract expenditures for State-administered local assistance projects is prepared by LPA.

Sometimes the State performs only specific phases of work associated with a local assistance project. For example, design engineering, right of way acquisition, or striping may be performed by the local agency staff for a construction project that is administered by the State. In such instances, LPA is responsible for preparing a final Report of Expenditures for the work performed by State staff. The local agency is responsible for preparing the final Report of Expenditures for work it performs and for any expenditures it incurs.

5.10 AUDIT OF STATE EXPENDITURES

State expenditures for local assistance Federal-aid major construction contracts (>\$300,000) are subject to the internal procedures established by the Caltrans OEA and the Bureau of State Audits when they perform the annual single audit of Caltrans. The Department's internal procedures and controls, established for major contract administration, do not require a formal audit of each construction project. However, projects may be selected on a random basis by OEA for an audit of extra work paid by a force account method of payment (see Chapter 12, "PS&E").

5.11 FINAL PROJECT COSTS OF STATE-ADMINISTERED PROJECTS

Each final report of contract expenditures for State-administered local assistance projects is analyzed by LPA to determine the final amount of Federal, State and local agency funds expended for the project. The final expenditure of local agency funds is compared to the local agency deposit for the project. Refunds or billings are made upon completion of the Final Voucher analysis regardless of the amount involved.

Provided that all pending claims by the contractor have been settled, the Final Voucher is prepared by LPA and submitted to the FHWA.

NOTE: If the Report of Contract Expenditures indicates that a claim by the contractor has not been settled, the final expenditure of Federal, State and local agency funds cannot be determined. Consequently, the submittal of the Final Voucher is delayed until all pending claims are settled.

The Final Project Cost Adjustment analysis is prepared concurrently with the Final Voucher to determine the final allocation of Federal, State and local agency funds for each phase of work. Budgeted amounts are adjusted to reflect the actual amount of funds expended for the project.

If during the final adjustment it is determined that the deposit of local agency funds is less than the agency's share of expenditures, LPA initiates an Accounts Receivable Invoice and submits it to the local agency for recovery of the required funds. If the deposit exceeds the Agency's share of expenditures, the excess funds are refunded to the local agency by LPA.

A Report of project Final Expenditures showing the final allocation and expenditure of Federal, State and local agency funds is prepared for distribution to the local agency.

5.12 SERVICE CONTRACTS

Invoices for work performed by local agencies, consultants or other contractors under Caltrans local assistance service contracts shall be submitted to the designated program manager, e.g., Railroad Crossing Program Manager, for review and verification. The manager then forwards the invoice to LPA for payment.

5.13 INVOICE CHECKLIST BEFORE SUBMITTING TO LOCAL PROGRAM ACCOUNTING

Local agency's invoices are normally paid within 25 days after LPA receives the invoices, provided that the invoices adhere to the format of in this chapter. To assist local agencies with the format of their invoices, use the checklist below before sending invoices to the District or LPA for reimbursement.

- Is the program supplement executed by both Caltrans and the local agency?
- Has the public works department submitted all the required documents to the Caltrans' DLAE so that the project agreement can be processed with FHWA for Federal fund reimbursement?
- Are the reimbursable phases of work authorized on the program supplement and Federal documents? Were all the federally eligible costs incurred after the Federal authorization date? Are those dates shown on the invoice?
- Does the submitted invoice have two copies and the required back-up documentation?
- Does the invoice claim exceed the total authorized funds on the project?
- Does the invoice show cumulative costs to date and is the calculation correct?
- Is the date of the invoice current? (resubmitted invoice must be re-dated)

- Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
- Does the invoice request all the funds specified on the program supplement or Federal documents? If so, are all of the proper documents included? (final project reports, proper signatures from authorized parties...)
- Is this a final invoice? If it is, it should be sent to the District or to the designated Caltrans program manager for approval before coming to LPA.
- Does the invoice have the local agency's letterhead, address, and signed certification statement from the responsible parties?
- Does the invoice have a contact person's name and phone number?
- Does the invoice show the correct project number and correct reimbursement ratio?
- Is the invoice in the proper format of Chapter 5 of the *Local Assistance Procedures Manual*?

This page intentionally left blank

SAMPLE FEDERAL -AID INVOICE
(EXCEPT FOR TEA AND STIP PROJECTS)
(PREPARE ON LETTERHEAD OF LOCAL AGENCY)

Date of Invoice

(For Progress Invoice)

Department of Transportation
 Accounting Service Center, MS 33
 Local Program Accounting Branch
 P.O. Box 942874
 Sacramento, CA 94274-0001

(For Final Invoice)

Name, District Director
 Attn: **Name**, Local Assistance Engineer
 Department of Transportation
Street or P.O. Box
City, CA Zip Code

Billing No: **1,2..., or Final**
 Invoice No: **Local Agency's Invoice No.**
 Federal-aid Project No: **Prefix-Proj. No.-(Fed. Agreement No.)**
 Tax Identification No: **Agency IRS ID Number**
 Date Project Accepted by City/County: **Final Date or "Ongoing" if not Final**
 Project Location: **Project Limits**
 Project Expenditure Authorization:

Reimbursement for Federal funds is claimed pursuant to Local Agency-State Agreement No. Number, Program Supplement No., Number, executed on Date.

	Preliminary Engineering	Construction Engineering	Right of Way/ Acquisition	Construction Contract	Total
Federal Appropriations Code	Q24/33D	Q24/33D	Q24/33D	Q24/33D	
Federal Authorization Date	5/12/99	5/12/99	5/12/99	5/12/99	
Federal participating costs from	5/15/99	5/15/99	5/15/99	5/25/99	
To	7/15/99	7/15/99	6/30/99	8/30/99	
Total Indirect Costs to Date	\$825.00	\$1,865.50	-----	-----	\$2,690.50
Total Direct Costs to Date	\$4,000.60	\$8,400.30	\$8,290.00	\$150,652.00	\$171,342.90
Less: Retention	-----	-----	-----	(20,000.00)*	(20,000.00)
Liquidated Damages	-----	-----	-----	0.00**	0.00
Non-participating Costs	<u>(350.00)</u>	<u>(840.00)</u>	<u>(1,200.00)</u>	<u>(16,000.00)</u>	<u>(18,390.00)</u>
Total Federal Participating Costs to Date	\$4,475.60	\$9,425.80	\$7,090.00	\$114,652.00	\$135,643.40
Less: Participating Costs on previous invoice	<u>\$2,120.95</u>	<u>\$6,350.20</u>	<u>0.00</u>	<u>\$98,231.00</u>	<u>\$106,702.15</u>
Change in Participating Costs	\$2,354.65	\$3,075.60	\$7,090.00	\$16,421.00	\$28,941.25
Reimbursement Ratio (federal and/or state)					88.53%
Federal reimbursement					\$25,621.68
State reimbursement					0.00
Amount of this claim					<u>\$25,621.68***</u>

INDIRECT COST CALCULATION

Preliminary Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$1944.00	\$673.82
Approved indirect cost rate	31%	33%
Subtotal ****	\$602.64	\$222.36
Total Indirect Costs To Date for Preliminary Engineering <u>\$825.00</u> (this Amount is carried to the front of the invoice under the Preliminary Engineering column)		

Construction Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$4756.23	\$1185.07
Approved indirect cost rate	31%	33%
Subtotal ****	\$1474.43	\$391.07
Total Indirect Costs To Date for Construction Engineering <u>\$1865.50</u> (this Amount is carried to the front of the invoice under the Construction Engineering column)		

I certify that the work covered by this invoice has been completed in accordance with approved plans and specifications; the costs shown in this invoice are true and correct; and the amount claimed, including retention as reflected above, is due and payable in accordance with the terms of the agreement.

Signature, Title and Unit of Local Agency Representative

Phone No.

For questions regarding this invoice, please contact:

Name

Phone No.

* Total retention amount withheld from contractor. At the end of the project and after all retention has been released, this amount should be zero.

** Show "liquidated damages" amount on final invoice.

*** Total must be rounded down to the lowest cent. Federal rules do not allow rounding up.

- ****
- Indirect cost for this project equals the direct cost base expense (i.e., direct salaries & wages plus fringe benefits) for this project multiplied by the approved indirect cost rate.
 - Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
 - An indirect rate must be approved by Caltrans every fiscal year to be used for only those costs incurred for that year.

SAMPLE FEDERAL-AID INVOICE
WITH TWO APPROPRIATIONS & DIFFERENT REIMBURSEMENT RATES
(EXCEPT FOR TEA & STIP PROJECTS)
(PREPARE ON LETTERHEAD OF LOCAL AGENCY)

Date of Invoice

(For Progress Invoice)

Department of Transportation
 Accounting Service Center, MS 33
 Local Program Accounting Branch
 P.O. Box 942874
 Sacramento, CA 94274-0001

(For Final Invoice)

Name, District Director
 Attn: Name, Local Assistance Engineer
 Department of Transportation
 Street or P.O. Box
 City, CA Zip Code

Billing No: **1,2..., or Final**
 Invoice No: **Local Agency's Invoice No.**
 Federal-aid Project No: **Prefix-Proj. No. (Fed. Agreement No.)**
 Tax Identification No: **Agency IRS ID Number**
 Date Project Accepted by City/County: **Final Date or "Ongoing" if not Final**
 Project Location: **Project Limits**
 Project Expenditure Authorization:

Reimbursement for Federal funds is claimed pursuant to Local Agency-State Agreement No. **Number**,
 Program Supplement No., **Number**, executed on **Date**.

	Preliminary Engineering	Construction Engineering	Right of Way/ Acquisition	Construction Contract	Total
Federal Appropriations Code	Q24	Q24	Q24	Q24	
Federal Authorization Date	5/12/99	6/5/99	5/12/99	6/5/99	
Federal participating costs from	5/15/99	6/15/99	5/15/99	6/15/99	
To	7/15/99	8/30/99	8/30/99	8/30/99	
Total Indirect Costs to Date	\$825.00	\$1,865.50	-----	-----	\$2,690.50
Total Direct Costs to Date	\$4,000.60	\$8,400.30	\$8,290.00	\$150,652.00	\$171,342.90
Less: Retention	-----	-----	-----	(20,000.00)*	(20,000.00)
Liquidated Damages	-----	-----	-----	0.00**	0.00
Non-participating Costs	<u>(350.00)</u>	<u>(840.00)</u>	<u>(1,200.00)</u>	<u>(16,000.00)</u>	<u>(18,390.00)</u>
Total Federal Participating Costs to Date	\$4,475.60	\$9,425.80	\$7,090.00	\$114,652.00	\$135,643.40
Less: Participating Costs on previous invoice	<u>\$2,120.95</u>	<u>\$6,350.20</u>	<u>0.00</u>	<u>\$98,231.00</u>	<u>\$106,702.15</u>
Change in Participating Costs	\$2,354.65	\$3,075.60	\$7,090.00	\$16,421.00	\$28,941.25
Reimbursement Ratio					88.53%
Amount of this claim					<u><u>\$25,621.68***</u></u>

Sample Federal-aid Invoice With Two Appropriations & Different Reimbursement Rates

Federal Appropriations Code	114	114	114	114	
Federal Authorization Date	5/12/99	5/12/99	5/12/99	5/12/99	
Federal participating costs from	5/15/99	5/15/99		5/15/99	
To	7/15/99	8/30/99		8/30/99	
Total Indirect Costs to Date	\$500.00	\$1,375.25	-----	-----	\$1,875.25
Total Direct Costs to Date	\$2,700.00	\$5,250.00	0.00	\$63,240.00	\$71,190.00
Less: Retention	-----	-----	-----	(6,324.00)*	(6,324.00)
Liquidated Damages	-----	-----	-----	0.00**	0.00
Non-participating Costs	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>(9,500.00)</u>	<u>(9,500.00)</u>
Total Federal Participating Costs to Date	\$3,200.00	\$6,625.25	0.00	\$47,416.00	\$57,241.25
Less: Participating Costs on previous invoice	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Change in Participating Costs	\$3,200.00	\$6,625.25	0.00	\$47,416.00	\$57,241.25
Reimbursement Ratio					80%
Amount of this claim					<u><u>\$45,793.00***</u></u>

INVOICE TOTAL**\$71,414.68****INDIRECT COST CALCULATION**Preliminary Engineering Indirect Costs (Q24):

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$1944.00	\$673.82
Approved indirect cost rate	31%	33%
Subtotal ****	\$602.64	\$222.36
Total Indirect Costs To Date for Preliminary Engineering <u>\$825.00</u> (this Amount is carried to the front of the invoice under the Q24 Preliminary Engineering column)		

Construction Engineering Indirect Costs (Q24/33D):

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$4756.23	\$1185.07
Approved indirect cost rate	31%	33%
Subtotal ****	\$1474.43	\$391.07
Total Indirect Costs To Date for Construction Engineering <u>\$1865.50</u> (this Amount is carried to the front of the invoice under the Q24/33D Construction Engineering column)		

Preliminary Engineering Indirect Costs (114):

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$972.00	\$602.07
Approved indirect cost rate	31%	33%
Subtotal ****	\$301.32	\$198.68
Total Indirect Costs To Date for Preliminary Engineering <u>\$500.00</u> (this Amount is carried to the front of the invoice under the 114 Preliminary Engineering column)		

Construction Engineering Indirect Costs (114):

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$3174.78	\$1185.07
Approved indirect cost rate	31%	33%
Subtotal ****	\$984.18	\$391.07
Total Indirect Costs To Date for Construction Engineering <u>\$1375.25</u> (this Amount is carried to the front of the invoice under the 114 Construction Engineering column)		

I certify that the work covered by this invoice has been completed in accordance with approved plans and specifications; the costs shown in this invoice are true and correct; and the amount claimed, including retention as reflected above, is due and payable in accordance with the terms of the agreement.

Signature, Title and Unit of Local Agency Representative

Phone No.

For questions regarding this invoice, please contact:

Name

Phone No.

* Total retention amount withheld from contractor. At the end of the project and after all retention has been released, this amount should be zero.

** Show "liquidated damages" amount on final invoice.

*** Total must be rounded down to the lowest cent. Federal rules do not allow rounding up.

- ****
- Indirect cost for this project equals the direct cost base expense (i.e., direct salaries & wages plus fringe benefits) for this project multiplied by the approved indirect cost rate.
 - Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
 - An indirect rate must be approved by Caltrans every fiscal year to be used for only those costs incurred for that year.

This page intentionally left blank

SAMPLE OF STATE PROJECT INVOICES
(PREPARE ON LETTERHEAD OF LOCAL AGENCY)**Date of Invoice**

(For Progress Invoice)

Department of Transportation
Accounting Service Center, MS 33
Local Program Accounting Branch
P.O. Box 942874
Sacramento, CA 94274-0001

(For Final Invoice)

Name, District Director
Attn: Name, Local Assistance Engineer
Department of Transportation
Street or P.O. Box
City, CA Zip Code

Billing No: **1,2..., or Final**
 Invoice No: **Local Agency's Invoice No.**
 State Project No: **Prefix-Proj. No.**
 Tax Identification No: **Agency IRS ID Number**
 Date Project Accepted by City/County: **Final Date or "Ongoing" if not Final**
 Project Location: **Project Limits**
 Expenditure Authorization No.

Reimbursement for **State Program** funds is claimed pursuant to Local Agency-State Agreement No. Number,
 Program Supplement No., Number, executed on Date.

	Preliminary Engineering	Construction Engineering	Right of Way/ Acquisition	Construction Contract	Total
Total Indirect Costs to Date	\$825.00	\$1,865.50	-----	-----	\$2,690.50
Total Direct Costs to Date	\$4,000.60	\$8,400.30	\$8,290.00	\$150,652.00	\$171,342.90
Less: Retention	-----	-----	-----	(20,000.00)*	(20,000.00)
Liquidated Damages	-----	-----	-----	0.00**	0.00
Non-participating Costs	<u>(350.00)</u>	<u>(840.00)</u>	<u>(1,200.00)</u>	<u>(16,000.00)</u>	<u>(18,390.00)</u>
Total State Participating Costs to Date	\$4,475.60	\$9,425.80	\$7,090.00	\$114,652.00	\$135,643.40
Less: Participating Costs on previous invoice	<u>\$2,120.95</u>	<u>\$6,350.20</u>	<u>0.00</u>	<u>\$98,231.00</u>	<u>\$106,702.15</u>
Change in Participating Costs	\$2,354.65	\$3,075.60	\$7,090.00	\$16,421.00	\$28,941.25
Reimbursement Ratio					0.75
Amount of this claim					<u>\$21,705.93</u>

INDIRECT COST CALCULATIONPreliminary Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$1944.00	\$673.82
Approved indirect cost rate	31%	33%
Subtotal ***	\$602.64	\$222.36

Total Indirect Costs To Date for Preliminary Engineering **\$825.00** (this Amount is carried to the front of the invoice under the Preliminary Engineering column)

Construction Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$4756.23	\$1185.07
Approved indirect cost rate	31%	33%
Subtotal ***	\$1474.43	\$391.07

Total Indirect Costs To Date for Construction Engineering **\$1865.50** (this Amount is carried to the front of the invoice under the Construction Engineering column)

I certify that the work covered by this invoice has been completed in accordance with approved plans and specifications; the costs shown in this invoice are true and correct; and the amount claimed, including retention as reflected above, is due and payable in accordance with the terms of the agreement.

Signature, Title and Unit of Local Agency Representative

Phone No.

Contact Name (for questions about this invoice)

Phone No.

* Total retention amount withheld from contractor. At the end of the project and after all retention has been released, this amount should be zero.

** Show "liquidated damages" amount on final invoice.

- ***
- Indirect cost for this project equals the direct cost base expense (i.e., direct salaries & wages plus fringe benefits) for this project multiplied by the approved indirect cost rate.
 - Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
 - An indirect rate must be approved by Caltrans every fiscal year to be used for only those costs incurred for that year.

SAMPLE RIGHT OF WAY INVOICE
(LETTERHEAD OF LOCAL AGENCY)**Date of Invoice**

(For Progress Invoice)

Department of Transportation
Accounting Service Center, MS 33
Local Program Accounting Branch
P.O. Box 942874
Sacramento, CA 94274-0001

(For Final Invoice)

Name, District Director
Attn: Name, Local Assistance Engineer
Department of Transportation
Street or P.O. Box
City, CA Zip Code

Billing No:	1,2..., or Final
Invoice No:	Local Agency's Invoice No.
Federal-Aid Project No:	Prefix-Proj. No.(Fed. Agreement No.)
Tax Identification No:	Agency IRS ID Number
Date Project Accepted by City/County:	Final Date or "Ongoing" if not Final
Project Location:	Project Limits
Expenditure Authorization No.	

Reimbursement for Federal funds is claimed pursuant to Local Agency-State Agreement No. Number, Program Supplement No., Number, executed on Date.

	Phase 9 Capital	Phase 2 Incidental
Federal Appropriations Code	33D	33D
Federal Authorization Date	5/12/99	5/12/99
Federal participating costs from	5/15/99	5/15/99
to	7/15/99	7/15/99
Total Indirect Costs To Date	-----	\$4,147.00
Total Direct Costs To Date	\$1,133,907.00	\$243,642.00
Less: Nonparticipating Costs	(20,750.00)	(64,356.00)
Federal Participating Costs to Date	<u>\$1,113,157.00</u>	<u>\$183,433.00</u>
Less: Participating Costs on Previous Invoice	<u>\$980,165.00</u>	<u>\$150,794.00</u>
Change in Participating Costs	\$132,992.00	\$32,639.00
Reimbursement Ratio	88.53%	88.53%
Amount of this claim	<u><u>\$117,737.81*</u></u>	<u><u>\$28,895.30*</u></u>

TOTAL INVOICE AMOUNT**\$146,633.11****INDIRECT COST CALCULATION**Right of Way Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$1944.00	\$10740.49
Approved indirect cost rate	31%	33%
Subtotal **	\$602.64	\$3544.36
Total Indirect Costs To Date for Preliminary Engineering <u>\$4147.00</u> (this Amount is carried to the front of the invoice under the Right of Way Incidental column)		

1. I certify that to the best of my knowledge and belief the above data is correct: that adequate title to the necessary right of way has been acquired for the herein above described Federal-aid project in the name of the **Local Agency name** for the

amount of just compensation based on bona fide appraisals duly qualified as required by the right of way procedures of the Federal Highway Administration and other written justification now contained in the **Local Agency** files, in accordance with procedures as submitted and accepted by the Director.

2. I further state that this certification is made in my official capacity as **Title**, pursuant to Section 1.31 of Title 23 of the Code of Federal Regulations and Section 121 of Title 23, United States Code, for the purpose of securing, pursuant thereto, by the **Local Agency name**, Federal-aid funds in connection with the above designated Federal-aid highway project, and that neither I nor, to the best of my knowledge, any officer, agent or employee of the **City, County** authorized in any official capacity to perform services in connection with the appraisal or acquisition of any such right of way has any interest or contemplates any benefit from any transaction which involves acquisition of property for right of way for such project, other than as herein disclosed.

Signature, Title and Unit of Local Agency Representative

Phone No.

For questions regarding this invoice, please contact:

Name

Phone No.

* Please round down the figures to the lowest cent. Federal rules do not allow rounding up.

- **
- Indirect cost for this project equals the direct cost base expense (i.e., direct salaries & wages plus fringe benefits) for this project multiplied by the approved indirect cost rate.
 - Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
 - An indirect rate must be approved by Caltrans every fiscal year to be used for only those costs incurred for that year.

Note: Rental income may be retained by local agencies, but must be used for Title 23 purposes.

SAMPLE OF "STIP PROJECT" FEDERAL INVOICE
(*PREPARE ON LETTERHEAD OF LOCAL AGENCY*)**Date of Invoice**

(For Progress Invoice)

Department of Transportation
Accounting Service Center, MS 33
Local Program Accounting Branch
P.O. Box 942874
Sacramento, CA 94274-0001

(For Final Invoice)

Name, District Director
Attn: Name, Local Assistance Engineer
Department of Transportation
Street or P.O. Box
City, CA Zip Code

Billing No: **1,2..., or Final**
 Invoice No: **Local Agency's Invoice No.**
 Federal-aid Project No: **Prefix-Proj. No. (Fed. Agreement No.)**
 Tax Identification No: **Agency IRS ID Number**
 Date Project Accepted by City/County: **Final Date or "Ongoing" if not Final**
 Project Location: **Project Limits**
 Project Expenditure Authorization:

Reimbursement for Federal funds is claimed pursuant to Local Agency-State Agreement No. **Number**,
 Program Supplement No., **Number**, executed on **Date**.

	Environmental Studies & Permits	PS&E	Construction Engineering	Construction
Federal Appropriations Code	Q24/33D	Q24/33D	Q24/33D	Q24/33D
Federal Authorization Date	5/12/99	5/12/99	6/10/99	6/10/99
Federal participating costs from	5/15/99	6/15/99	6/15/99	6/15/99
To	8/15/99	8/15/99	8/15/99	8/15/99
Total Indirect Costs to Date	\$825.00	\$1,865.50	\$2,690.50	-----
Total Direct Costs to Date	\$4,000.60	\$8,400.30	\$8,290.00	\$150,652.00
Less: Retention	-----	-----	-----	(20,000.00)*
Liquidated Damages	-----	-----	-----	0.00**
Non-participating Costs	<u>(350.00)</u>	<u>(840.00)</u>	<u>(1,200.00)</u>	<u>(16,000.00)</u>
Total Federal Participating Costs to Date	\$4,475.60	\$9,425.80	\$9,780.50	\$114,652.00
Less: Participating Costs on previous invoice	<u>\$2,120.95</u>	<u>\$6,350.20</u>	<u>0.00</u>	<u>\$98,231.00</u>
Change in Participating Costs	\$2,354.65	\$3,075.60	\$9,780.50	\$16,421.00
Reimbursement Ratio	88.53%	88.53%	88.53%	88.53%
Amount of this claim	<u>\$2,084.57***</u>	<u>\$2,722.82***</u>	<u>\$8,658.67***</u>	<u>\$14,537.51***</u>

TOTAL INVOICE AMOUNT**\$28,003.57****INDIRECT COST CALCULATION**Environmental Studies & Permits Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$1944.00	\$673.82
Approved indirect cost rate	31%	33%
Subtotal ****	\$602.64	\$222.36

Total Indirect Costs To Date for Environmental Studies & Permits **\$825.00** (this Amount is carried to the front of the invoice under the Environmental Studies & Permits column)

PS&E Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$4756.23	\$1185.07
Approved indirect cost rate	31%	33%
Subtotal ****	\$1474.43	\$391.07
Total Indirect Costs To Date for PS&E <u>\$1865.50</u> (this Amount is carried to the front of the invoice under the PS&E column)		

Construction Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$6000.00	\$2516.67
Approved indirect cost rate	31%	33%
Subtotal ****	\$1860.00	\$830.50
Total Indirect Costs To Date for Construction Engineering <u>\$2690.50</u> (this Amount is carried to the front of the invoice under the Construction Engineering column)		

I certify that the work covered by this invoice has been completed in accordance with approved plans and specifications; the costs shown in this invoice are true and correct; and the amount claimed, including retention as reflected above, is due and payable in accordance with the terms of the agreement.

Signature, Title and Unit of Local Agency Representative

Phone No.

For questions regarding this invoice, please contact:

Name

Phone No.

* Total retention amount withheld from contractor. At the end of the project and after all retention has been released, this amount should be zero.

** Show "liquidated damages" amount on final invoice.

*** Please round down the figures to the lowest cent. Federal rules do not allow rounding up.

- ****
- Indirect cost for this project equals the direct cost base expense (i.e., direct salaries & wages plus fringe benefits) for this project multiplied by the approved indirect cost rate.
 - Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
 - An indirect rate must be approved by Caltrans every fiscal year to be used for only those costs incurred for that year.

Note: For R/W acquisition use Exhibit 5-D.

SAMPLE OF "STIP PROJECT" STATE INVOICE
(*PREPARE ON LETTERHEAD OF LOCAL AGENCY*)**Date of Invoice**

(For Progress Invoice)
 Department of Transportation
 Accounting Service Center, MS 33
 Local Program Accounting Branch
 P.O. Box 942874
 Sacramento, CA 94274-0001

(For Final Invoice)
 Name, District Director
 Attn: Name, Local Assistance Engineer
 Department of Transportation
 Street or P.O. Box
 City, CA Zip Code

Billing No: **1,2..., or Final**
 Invoice No: **Local Agency's Invoice No.**
 State Project No: **Prefix-Proj. No.**
 Tax Identification No: **Agency IRS ID Number**
 Date Project Accepted by City/County: **Final Date or "Ongoing" if not Final**
 Project Location: **Project Limits**
 Expenditure Authorization No.

Reimbursement for **State Program** funds is claimed pursuant to Local Agency-State Agreement No. Number,
 Program Supplement No., Number, executed on Date.

	Environmental Studies & Permits	PS&E	Right of Way/ Acquisition	Construction including CE	Total
Total Indirect Costs to Date	\$825.00	\$1,865.50	-----	\$4,323.22	\$7,013.72
Total Direct Costs to Date	\$4,000.60	\$8,400.30	\$8,290.00	\$150,652.00	\$171,342.90
Less: Retention	-----	-----	-----	(20,000.00)*	(20,000.00)
Liquidated Damages	-----	-----	-----	0.00**	0.00
Non-participating Costs	<u>(350.00)</u>	<u>(840.00)</u>	<u>(1,200.00)</u>	<u>(16,000.00)</u>	<u>(18,390.00)</u>
Total State Participating Costs to Date	\$4,475.60	\$9,425.80	\$7,090.00	\$118,975.22	\$139,966.62
Less: Participating Costs on previous invoice	<u>\$2,120.95</u>	<u>\$6,350.20</u>	<u>0.00</u>	<u>\$98,231.00</u>	<u>\$106,702.15</u>
Change in Participating Costs	\$2,354.65	\$3,075.60	\$7,090.00	\$20,744.22	\$33,261.47
Reimbursement Ratio					0.75
Amount of this claim					<u>\$24,946.10</u>

INDIRECT COST CALCULATIONEnvironmental Studies & Permits Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$1944.00	\$673.82
Approved indirect cost rate	31%	33%
Subtotal ***	\$602.64	\$222.36

Total Indirect Costs To Date for Environmental Studies & Permits **\$825.00** (this Amount is carried to the front of the invoice under the Environmental Studies & Permits column)

PS&E Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$4756.23	\$1185.07
Approved indirect cost rate	31%	33%
Subtotal ***	\$1474.43	\$391.07
Total Indirect Costs To Date for PS&E <u>\$1865.50</u> (this Amount is carried to the front of the invoice under the PS&E column)		

Construction Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$9500.00	\$4176.43
Approved indirect cost rate	31%	33%
Subtotal ***	\$2945.00	\$1378.22
Total Indirect Costs To Date for Construction Engineering <u>\$4323.22</u> (this Amount is carried to the front of the invoice under the Construction Engineering column)		

I certify that the work covered by this invoice has been completed in accordance with approved plans and specifications; the costs shown in this invoice are true and correct; and the amount claimed, including retention as reflected above, is due and payable in accordance with the terms of the agreement.

Signature, Title and Unit of Local Agency Representative

Phone No.

For questions regarding this invoice, please contact:

Name

Phone No.

* Total retention amount withheld from contractor. At the end of the project and after all retention has been released, this amount should be zero.

** Show "liquidated damages" amount on final invoice.

- ***
- Indirect cost for this project equals the direct cost base expense (i.e., direct salaries & wages plus fringe benefits) for this project multiplied by the approved indirect cost rate.
 - Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
 - An indirect rate must be approved by Caltrans every fiscal year to be used for only those costs incurred for that year.

SAMPLE OF TEA PROJECTS INVOICE**(PREPARE ON LETTERHEAD OF LOCAL AGENCY)****Date of Invoice**

(For Progress Invoice)

Department of Transportation
 Accounting Service Center, MS 33
 Local Program Accounting Branch
 P.O. Box 942874
 Sacramento, CA 94274-0001

(For Final Invoice)

Name, District Director
 Attn: Name, Local Assistance Engineer
 Department of Transportation
 Street or P.O. Box
 City, CA Zip Code

Billing No: **1,2..., or Final**
 Invoice No: **Local Agency's Invoice No.**
 Federal-aid Project No: **Prefix-Proj. No. (Fed. Agreement No.)**
 Tax Identification No: **Agency IRS ID Number**
 Date Project Accepted by City/County: **Final Date or "Ongoing" if not Final**
 Project Location: **Project Limits**
 Project Expenditure Authorization:

Reimbursement for Federal funds is claimed pursuant to Local Agency-State Agreement No. **Number**,
 Program Supplement No., **Number**, executed on **Date**.

	Preliminary Engineering	Construction Engineering	Right of Way/ Acquisition	Construction Contract
Federal Appropriations Code	Q22/33B	Q22/33B	Q22/33B	Q22/33B
Federal Authorization Date	5/12/99	6/5/99	5/12/99	6/5/99
Federal participating costs from	5/15/99	6/15/99	5/15/99	6/15/99
to	7/15/99	7/15/99	7/15/99	7/15/99
Total Indirect Costs to Date	\$825.00	\$1,865.50	-----	-----
Total Direct Costs to Date	\$4,000.60	\$8,400.30	\$8,290.00	\$150,652.00
Less: Retention	-----	-----	-----	(20,000.00)*
Liquidated Damages	-----	-----	-----	0.00**
Non-participating Costs	<u>(350.00)</u>	<u>(840.00)</u>	<u>(1,200.00)</u>	<u>(16,000.00)</u>
Total Federal Participating Costs to Date	\$4,475.60	\$9,425.80	\$7,090.00	\$114,652.00
Less: Participating Costs on previous invoice	<u>\$2,120.95</u>	<u>\$6,350.20</u>	<u>0.00</u>	<u>\$98,231.00</u>
Change in Participating Costs	\$2,354.65	\$3,075.60	\$7,090.00	\$16,421.00
Reimbursement Ratio	88.53%	88.53%	88.53%	88.53%
(Federal and/or State)				
Amount of this claim	<u>\$2,084.57***</u>	<u>\$2,722.82***</u>	<u>\$6,276.77***</u>	<u>\$14,537.51***</u>

TOTAL INVOICE AMOUNT**\$25,621.67**

INDIRECT COST CALCULATION

Preliminary Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$1944.00	\$673.82
Approved indirect cost rate	31%	33%
Subtotal ****	\$602.64	\$222.36
Total Indirect Costs To Date for Preliminary Engineering <u>\$825.00</u> (this Amount is carried to the front of the invoice under the Preliminary Engineering column)		

Construction Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$4756.23	\$1185.07
Approved indirect cost rate	31%	33%
Subtotal ****	\$1474.43	\$391.07
Total Indirect Costs To Date for Construction Engineering <u>\$1865.50</u> (this Amount is carried to the front of the invoice under the Construction Engineering column)		

I certify that the work covered by this invoice has been completed in accordance with approved plans and specifications; the costs shown in this invoice are true and correct; and the amount claimed, including retention as reflected above, is due and payable in accordance with the terms of the agreement.

Signature, Title and Unit of Local Agency Representative

Phone No.

For questions regarding this invoice, please contact:

Name

Phone No.

* Total retention amount withheld from contractor. At the end of the project and after all retention has been released, this amount should be zero.

** Show "liquidated damages" amount on final invoice.

*** Please round down the figures to the lowest cent. Federal rules do not allow rounding up.

- ****
- Indirect cost for this project equals the direct cost base expense (i.e., direct salaries & wages plus fringe benefits) for this project multiplied by the approved indirect cost rate.
 - Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
 - An indirect rate must be approved by Caltrans every fiscal year to be used for only those costs incurred for that year.

ALTERNATIVE PAYMENT PROCEDURE SAMPLE
(PREPARE ON LETTERHEAD OF LOCAL AGENCY)**Date of Invoice**

(For Progress Invoice)

Department of Transportation
Accounting Service Center, MS 33
Local Program Accounting Branch
P.O. Box 942874
Sacramento, CA 94274-0001

(For Final Invoice)

Name, District Director
Attn: Name, Local Assistance Engineer
Department of Transportation
Street or P.O. Box
City, CA Zip Code

Billing No: **1,2..., or Final**
 Invoice No: **Local Agency's Invoice No.**
 Federal-aid Project No: **Prefix-Proj. No. (Fed. Agreement No.)**
 Tax Identification No: **Agency IRS ID Number**
 Date Project Accepted by City/County: **Final Date or "Ongoing" if not Final**
 Project Location: **Project Limits**
 Project Expenditure Authorization:

Reimbursement for Federal funds is claimed pursuant to Local Agency-State Agreement No. **Number**,
 Program Supplement No., **Number**, executed on **Date**.

	Preliminary Engineering *****	Construction Engineering	Construction Contract	Total
Federal Appropriations Code	33D/33C	33D/33C	33D/33C	
Federal Authorization Date	1/15/99	2/10/99	2/10/99	
Federal participating costs from	3/1/99	3/1/99	3/1/99	
to	7/30/99	7/30/99	7/30/99	
Total Indirect Costs to Date	\$825.00	\$1,865.50	-----	\$2,690.50
Total Direct Costs to Date	\$4,000.60	\$8,400.30	\$200,000.10	\$212,401.00
Less: Retention	-----	-----	(20,000.00)*	(20,000.00)
Liquidated Damages	-----	-----	0.00**	0.00
Non-participating Costs	<u>(350.00)</u>	<u>(840.00)</u>	<u>(16,000.00)</u>	<u>(17,190.00)</u>
Total Federal Participating Costs to Date	\$4,475.60	\$9,425.80	\$164,000.10	\$177,901.50
Less: Participating Costs on previous invoice	<u>\$2,120.95</u>	<u>\$6,350.20</u>	<u>\$98,231.00</u>	<u>\$106,702.15</u>
Change in Participating Costs	\$2,354.65	\$3,075.60	\$65,769.10	\$71,199.35
Reimbursement Ratio (Federal and/or State)				88.53%
Federal Reimbursement				\$63,032.78
State Reimbursement				0.00
Amount of this claim				<u>\$63,032.78***</u>
ADJUSTMENT OF STATE FUNDS FOR ESTIMATED CONTRACT PAYMENTS				
Total of this claim				\$63,032.78
Less: Estimate Previously Invoiced for the month				\$80,000.00
Difference (positive or negative amount)				(\$16,967.22)
Plus: Estimate for next month				<u>\$100,000.00</u>
INVOICE TOTAL				<u>\$83,032.78</u>

INDIRECT COST CALCULATION

Preliminary Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$1944.00	\$673.82
Approved indirect cost rate	31%	33%
Subtotal ****	\$602.64	\$222.36
Total Indirect Costs To Date for Preliminary Engineering <u>\$825.00</u> (this Amount is carried to the front of the invoice under the Preliminary Engineering column)		

Construction Engineering Indirect Costs:

	FY 1998-1999	FY 1999-2000
Direct Cost Base Expense	\$4756.23	\$1185.07
Approved indirect cost rate	31%	33%
Subtotal ****	\$1474.43	\$391.07
Total Indirect Costs To Date for Construction Engineering <u>\$1865.50</u> (this Amount is carried to the front of the invoice under the Construction Engineering column)		

I certify that the work covered by this invoice has been completed in accordance with approved plans and specifications; the costs shown in this invoice are true and correct; and the amount claimed, including retention as reflected above, is due and payable in accordance with the terms of the agreement.

Signature, Title and Unit of Local Agency Representative

Phone No.

For questions regarding this invoice, please contact:

Name

Phone No.

* Total retention amount withheld from contractor. At the end of the project and after all retention has been released, this amount should be zero.

** Show "liquidated damages" amount on final invoice.

*** Please round down the figures to the lowest cent. Federal rules do not allow rounding up.

- ****
- Indirect cost for this project equals the direct cost base expense (i.e., direct salaries & wages plus fringe benefits) for this project multiplied by the approved indirect cost rate.
 - Indirect cost reimbursement will not apply to direct costs, i.e., payment of construction contracts and right of way purchases, not included in the direct cost base.
 - An indirect rate must be approved by Caltrans every fiscal year to be used for only those costs incurred for that year.

***** If invoice is for a STIP project, PE has to be segregated into E&PP and PS&E.

Federal Register / Vol. 51, No. 3 / Monday, January 6, 1986 / Notices

5

COGNIZANT AGENCY ASSIGNMENTS FOR COST
ALLOCATION UNDER OMB CIRCULAR A-87
AND FOR SINGLE AUDIT UNDER OMB CIRCULAR A-128—Continued

	Cognizant Federal agency
Cities:	
Birmingham.....	HUD
Gadsden.....	HHS
Huntsville.....	DOL
Mobile.....	HUD
Montgomery.....	HUD
Tuscaloosa.....	HUD
ALASKA	
State agencies:	
Commerce and Economic Development.....	DOE
Community and Regional.....	DOL
Corrections.....	DOJ
Education.....	ED
Environmental Conservation.....	USDA
Fish and Game.....	DOI
Governor's Office.....	HHS
Health and Social Services.....	HHS
Housing Authority.....	HUD
Labor.....	DOL
Military and Veteran Affairs.....	DOD
Natural Resources.....	DOI
Public Safety.....	DOJ
Transportation and Public Facilities.....	DOT
Vocational Rehabilitation.....	HHS
Counties: Greater Anchorage.....	HHS
Cities: Anchorage.....	HHS
AMERICAN SAMOA	
State agencies: All departments and agencies.....	DOI
ARIZONA	
State Agencies:	
Corrections.....	DOJ
Economic Security.....	HHS
Education.....	ED
Emergency and Military Affairs.....	DOD
Game and Fish.....	DOI
Governor's Office.....	DOL
Health Services.....	HHS
Industrial Commission.....	DOL
Land.....	USDA
Mine Inspector.....	DOL
Public Safety.....	DOJ
State Parks.....	DOI
Transportation.....	DOT
Counties:	
Cochise.....	HHS
Maricopa.....	HUD
Pima.....	HHS
Pinal.....	HHS
Cities:	
Phoenix:	
Aviation.....	DOT*
Community Development.....	HUD
Housing.....	HUD
Human Resources/Relations.....	DOL
Parks and Recreation.....	DOI
Police.....	DOJ
Public Works.....	DOT
Sewer Utility.....	EPA
Transit.....	DOT
Tucson.....	HUD
ARKANSAS	
State agencies:	
Corrections.....	DOJ
Education.....	ED
Emergency Services Office.....	FEMA
Energy Office.....	DOE
Forestry Commission.....	USDA
Game and Fish Commission.....	DOI
Governor's Office.....	DOL
Health.....	HHS
Highway and Transportation.....	DOT
Human Services.....	HHS
Labor.....	DOL
Natural and Cultural Heritage.....	DOI
Parks and Tourism.....	DOI
Pollution Control and Ecology.....	EPA
Workers' Compensation Commission.....	DOL
Veterans Affairs.....	VA
Counties:	
Jefferson.....	HHS
Mississippi.....	HHS
Pulaski.....	HUD

COGNIZANT AGENCY ASSIGNMENTS FOR COST
ALLOCATION UNDER OMB CIRCULAR A-87
AND FOR SINGLE AUDIT UNDER OMB CIRCULAR A-128—Continued

	Cognizant Federal agency
Sebastian.....	EPA
Washington.....	HHS
Cities:	
Fort Smith.....	HUD
Little Rock:	
Community Improvement.....	DOL
Human Resources.....	HUD
Parks.....	DOI*
North Little Rock.....	EPA
CALIFORNIA	
State agencies:	
Aging.....	HHS*
Air Resources Board.....	EPA
Alcohol and Drug Abuse Programs.....	HHS
Conservation.....	EPA
Corrections.....	HHS
Developmental Services.....	HHS
Economic and Business Development.....	DOC
Education.....	ED
Emergency Services Office.....	FEMA
Employment Development.....	DOL
Energy Commission.....	DOE
Finance.....	HUD
Fish and Game.....	DOI
Food and Agriculture.....	USDA
Forestry.....	USDA
Governor's Office.....	DOJ
Health Services.....	HHS
Housing and Community Development.....	HUD
Industrial Relations.....	DOL
Justice.....	DOJ
Mental Health.....	HHS
Military Department.....	DOD
Parks and Recreation.....	DOI
Post Secondary Education Commission.....	ED
Planning and Research Office.....	HUD
Rehabilitation.....	ED
Resources Agency.....	EPA
Social Services.....	HHS
Solid Waste Management Board.....	EPA
Transportation.....	DOT
Veterans Affairs.....	VA
Water Resources Control Board.....	EPA
Youth Authority.....	HHS
Counties:	
Alameda:	
District Attorney.....	HHS*
Health/Human Services.....	HHS
Planning.....	HUD
Probation.....	DOJ
Sheriff.....	DOJ
Social Services.....	HHS
Streets.....	DOT
Contra Costa.....	HHS
Fresno.....	HHS
Kern.....	HHS
Los Angeles:	
Community and Senior Citizens/Services.....	HHS*
Community Development Commission.....	HUD
Courts.....	DOJ
District Attorney.....	HHS
Health Services.....	HHS
Mental Health.....	HHS
Parks and Recreation.....	USDA
Public Social Services.....	HHS
Public Works.....	DOT
Regional Planning.....	DOT
Sheriff.....	DOJ
Merced.....	HHS
Monterey.....	HHS
Orange:	
Airport.....	DOT
Criminal Justice.....	DOJ
Courts.....	DOL
District Attorney.....	HHS*
Environmental Affairs/Protection.....	HUD
Health/Human Services.....	HHS
Probation.....	HHS
Senior Citizens/Services.....	HHS
Sheriff.....	HHS
Riverside.....	HHS
Sacramento.....	HHS
San Bernardino:	
Community Development.....	HUD
Environmental Public Works.....	EPA

COGNIZANT AGENCY ASSIGNMENTS FOR C
ALLOCATION UNDER OMB CIRCULAR A
AND FOR SINGLE AUDIT UNDER OMB CIRCULAR A-128—Continued

	Cognizant Federal agency
Health/Human Services.....	HHS*
Human Resources/Relations.....	HHS
Law and Justice.....	DOJ
Manpower.....	DOL
San Buenaventura.....	HHS
San Diego.....	HHS
San Joaquin.....	HHS
San Luis Obispo.....	HHS
San Mateo.....	HHS
Santa Cruz.....	HHS
Sonoma.....	HHS
Stanislaus.....	HHS
Tulare.....	HHS
All other counties.....	HHS
Cities:	
Alameda.....	HUD
Alhambra.....	HHS
Anaheim.....	HHS
Bakersfield.....	EPA
Berkeley.....	HUD
Burbank.....	HHS
Butte.....	HHS
Carson.....	DOT
Compton.....	HUD
Downey.....	HHS
Fresno.....	HUD
Fullerton.....	HHS
Garden Grove.....	HHS
Glendale.....	HHS
Hayward.....	HUD
Inglewood.....	HHS
Lakewood.....	HHS
Long Beach.....	HUD
Los Angeles:	
Airport.....	DOT
Building and Safety.....	HUD
Community Development.....	HUD
Council.....	DOT
Fire Services.....	FEM
General Services.....	HUD
Housing Authority.....	HUD
Mayor's Office.....	DOC
Parks and Recreation.....	HUD
Personnel.....	DOL
Public Works.....	EPA
Redevelopment Agency.....	HUD
Transportation.....	DOT
Norwalk.....	HHS
Oakland.....	HUD
Palo Alto.....	EPA
Pasadena.....	HHS
Pomona.....	HUD
Richmond.....	HUD
Riverside.....	HUD
Sacramento.....	HUD
San Bernardino.....	HUD
San Diego:	
General Services.....	DOT
Housing Commission.....	HUD
Streets.....	HUD
Utilities.....	EPA*
San Francisco:	
Administrative Office.....	EPA
Arts.....	DOI
Health/Human Services.....	HHS
Mayor's Office.....	DOL*
Parks and Recreation.....	DOI
Planning.....	DOC
Police.....	DOJ
San Jose.....	USD/
San Leandro.....	HHS
San Mateo.....	HUD
San Jose.....	HUD
Santa Barbara.....	HUD
Santa Clara:	
Justice.....	DOJ
Planning.....	HUD*
Santa Monica.....	HHS
Southgate.....	HHS
Stockton.....	HUD
Sunnyvale.....	HHS
Torrance.....	HHS
Vallejo.....	HUD
Ventura.....	HHS
West Covina.....	HHS

This page intentionally left blank

Local Agency name
Indirect Cost Plan

The indirect cost rate contained herein is for use on grants, contracts and other agreements with the Federal Government and California Department of Transportation (Caltrans), subject to the conditions in Section II. This plan was prepared by the ***Local Agency name*** and approved by Caltrans.

SECTION I: Rates

<u>Rate Type</u>	<u>Effective Period</u>	<u>Rate*</u>	<u>Applicable To</u>
Fixed with carry forward	7/1/96 to 6/30/97	40.49%	All Programs

*Base: Total Direct Salaries and Wages plus fringe benefits

SECTION II: General Provisions**A. Limitations:**

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract, or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted: such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government or Caltrans. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government or Caltrans; (5) Prior actual costs used in the calculation of the approved rate are contained in the grantee's Single Audit which was prepared in accordance with OMB Circular A-133. If a Single Audit is not required to be performed, then audited financial statements should be used to support the prior actual costs; and, (6) The estimated costs used in the calculation of the approved rate are from the grantee's approved budget in effect at the time of approval of this plan.

B. Accounting Changes:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. Fixed Rate with Carry Forward:

The fixed rate used in this Agreement is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined—either by the grantee's Single Audit or if a Single Audit is not required, then by the grantee's audited financial statements—any differences between the application of the fixed rate and actual costs will result in an over or under recovery of costs. The over or under recovery will be carried forward, as an adjustment to the calculation of the indirect cost rate, to the second fiscal year subsequent to the fiscal year covered by this plan.

D. Audit Adjustments:

Immaterial adjustments resulting from the audit of information contained in this plan shall be compensated for in the subsequent indirect cost plan approved after the date of the audit adjustment. Material audit adjustments will require reimbursement from the grantee.

E. Use by Other Federal Agencies:

Authority to approve this agreement by Caltrans has been delegated by the Federal Highway Administration, California Division. The purpose of this approval is to permit subject local government to bill indirect costs to Title 23 funded projects administered by the Federal Department of Transportation (DOT). This approval does not apply to any grants, contracts, projects, or programs for which DOT is not the cognizant Federal agency.

The approval will also be used by Caltrans in State-only funded projects.

F. Other:

If any Federal contract, grant, or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

G. Rate Calculation

FY 1997 Budgeted Indirect Costs	\$3,168,447
---------------------------------	-------------

Carry Forward from FY 1995	<u>(441,989)</u>
----------------------------	------------------

Estimated FY 1997 Indirect Costs	\$2,726,458
----------------------------------	-------------

FY 1997 Budgeted Direct Salaries and Wages plus fringe benefits	\$6,732,880
---	-------------

FY 1997 Indirect Cost Rate	40.49%
----------------------------	--------

CERTIFICATION OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal to establish billing or final indirect costs rates for fiscal year 1997 (July 1, 1996 to June 30, 1997) are allowable in accordance with the requirements of the Federal and State award(s) to which they apply and OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal and State awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government and Caltrans will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit: _____

Signature: _____

Signature: _____

Reviewed, Approved and Submitted by:

Prepared by:

Name of Official: _____

Name of Official: _____

Title: _____

Title: _____

Date of Execution: _____

Phone: _____

INDIRECT COST RATE APPROVAL

The State DOT has reviewed this indirect cost plan and hereby approves the plan.

Signature

Reviewed and Approved by:
(Name of Audit Manager)
Title:
Date:
Phone Number:

Signature

Reviewed and Approved by:
(Name of auditor)
Title:
Date:
Phone Number:

Local Agency Name
CARRY FORWARD CALCULATION

	FY1994	FY 1995	FY 1996		FY 1997
APPROVED IC RATE	43.33%	50.10%	51.47%	Approved IC Rate (Indirect Costs / Direct S&W + FB)	40.49%
<hr/>					
INDIRECT CARRY FORWARD					
Carry Forward	(99,784)	(16,796)	20,794	Carry Forward	(441,989)
Indirect Costs from Single Audit	<u>2,400,168</u>	<u>2,439,166</u>		Estimated Indirect Costs (From FY 97 Budget)	<u>3,168,447</u>
Total Indirect Costs	2,300,384	2,422,370		Totals Estimated Indirect Costs	<u>2,726,458</u>
Recovered Costs				Estimated Direct S&W + FB (From FY 97 Budget)	<u>6,732,880</u>
Direct Salaries & Wages + Fringe Benefits (* Approved Rate)	5,260,998 43.33%	5,717,283 50.10%			
Total Recovered Indirect Costs	2,279,590	2,864,359			
Indirect Carry Forward	20,794	(441,989)			
DIRECT SALARIES & WAGES + FRINGE BENEFITS(Per Single Audit)					
General Fund - S&W + FB	5,260,998	5,717,283			
Special Revenue Fund - S&W + FB	n/a	n/a			
Internal Service Fund - S&W + FB	<u>n/a</u>	<u>n/a</u>			
Total Direct Salaries & Wages + Fringe Benefits	5,260,998	5,717,283			

Local Agency Name FY 1997 BUDGET				
	DIRECT COSTS	INDIRECT COSTS	UNALLOWED COSTS	TOTAL BUDGET
Salaries	5,034,970	1,214,698		6,249,668
Fringe Benefits	<u>1,697,910</u>	<u>417,485</u>		<u>2,115,395</u>
Total	6,732,880	1,632,183		8,365,063
DIRECT COSTS	11,037,468			11,037,468
INDIRECT COSTS				
Printing		150,300		150,300
Computer Services		102,700		102,700
Conference & Training		104,475		104,475
Auto Expense		8,889		8,889
Travel / Local Mileage		45,000		45,000
Transit Tickets		1,050		1,050
Meeting Room Rentals		5,250		5,250
Office Supplies		46,620		46,620
Equipment Rental		6,217		6,217
Equipment Maintenance & Repair		16,370		16,370
Mailing & Postage		147,814		147,814
Communications		95,550		95,550
Insurance		64,279		64,279
Subscriptions / Library		29,400		29,400
Personnel Recruitment		26,250		26,250
Public Hearings		22,050		22,050
County Auditor		10,000		10,000
Law Library		17,850		17,850
Parking		22,050		22,050
Other Maintenance		26,250		26,250
Janitorial Services		32,970		32,970
Clippings/Newswire Services		13,125		13,125
Utilities		94,500		94,500
Storage Rental		8,295		8,295
Advertisement / Legal Notices		9,450		9,450
Advisory Committees		16,500		16,500
Miscellaneous Expense		7,560		7,560
Equipment less than \$300		20,000		20,000
Independent Audit Fees		62,000		62,000
Memberships		39,900		39,900
Special Events		24,150		24,150
ADA Special Services		<u>9,450</u>		<u>9,450</u>
Subtotal	<u>11,037,468</u>	<u>1,286,264</u>		<u>12,323,732</u>
TOTAL BUDGET	17,770,348	2,918,447		<u>\$ 20,688,795</u>
Depreciation		<u>250,000</u>		
TOTAL INDIRECT COSTS		<u>\$ 3,168,447</u>	*	

* For the sake of simplicity, this sample does not include any central service costs carried forward from a Central Service Cost Allocation Plan. See ASMB C-10 for a sample Indirect Cost Rate Proposal which includes central service costs and a sample Central Service Cost Allocation Plan.

Local Agency Name

COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

	FY1995
REVENUES	
Sales Taxes under Transportation Development Act:	
Planning	\$ 5,312,475
Administration	885,410
Grants:	
Federal Highway Administration	4,926,640
Federal Transit Administration	750,631
Federal Aviation Administration	510
State Department of Transportation	682,542
Project revenues from state and local agencies	2,813,359
Interest	349,160
Other	<u>863,414</u>
Total Revenues	16,584,141
EXPENSES:	
Operating:	
Salaries and benefits	7,082,555
Travel	243,331
Printing and reproduction	170,641
Professional fees	2,784,847
Computer charges	54,000
Overhead	1,482,291
Contributions to other agencies	1,044,402
Other	<u>930,155</u>
Total Expenses	<u>13,792,222</u>
EXCESS OF REVENUES OVER EXPENSES	2,791,919
FUND BALANCE, Beginning of Year	<u>8,996,570</u>
FUND BALANCE, End of year	<u><u>\$ 11,788,489</u></u>

** Total Indirect Costs	2,847,563
Less Indirect Salaries	<u>1,365,272</u>
Overhead	1,482,291

Local Agency Name

SUPPLEMENTAL SCHEDULE OF OVERHEAD AND SALARIES AND BENEFITS EXPENSE
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

	Direct Costs	Indirect Costs	Total Costs
Salaries	4,275,487	1,016,059	5,291,546
Benefits	<u>1,441,796</u>	<u>349,213</u>	<u>1,791,009</u>
Total salaries and benefits	\$ 5,717,283	1,365,272	\$ 7,082,555
REIMBURSABLE OVERHEAD			
Printing / reprographics		16,124	
Computer Services		89,306	
Conference & Training		63,625	
Auto Expense		6,328	
Travel / Local Mileage		2,280	
Transit Tickets		680	
Meeting Room Rentals		1,280	
Office Supplies		54,469	
Equipment Rental		2,147	
Equipment Maintenance & Repair		4,063	
Mailing & Postage		76,610	
Communications		89,868	
Insurance		45,990	
Subscriptions		16,915	
Library Acquisitions		11,950	
Personnel Recruitment		7,052	
Public Hearings		9,338	
County Auditor		7,488	
Press clippings		1,653	
Law Library		15,251	
Parking		13,934	
Legislative analysis services / supplies		2,230	
Other Maintenance		30,974	
Janitorial Services		29,892	
Newswire Services		1,212	
Utilities		85,404	
Storage Rental		8,197	
Advertisement / Legal Notices		5,980	
Advisory Services		5,676	
ADA Services		2,238	
Miscellaneous Expense		2,235	
Elderly and handicapped		3,776	
Audio reproduction / supply		2,068	
Equipment less than \$300		10,634	
Independent Audit Fees		44,800	
Memberships		<u>27,536</u>	
Total Indirect G & A Costs		799,203	
Depreciation		<u>274,691</u>	
Total Overhead before carry forward		2,439,166	
Over (under) absorbed for FY 1995**		425,193	
carry forward (from FY 1993)		<u>(16,796)</u>	
Total Indirect Costs		<u>\$ 2,847,563</u>	
Direct Salaries & Wages plus Fringe Benefits		5,717,283	
Approved FY 1995 IC Rate		<u>50.10%</u>	
Indirect Costs Recovered		2,864,359	
Actual Indirect Costs		<u>2,439,166</u>	
**Over absorbed costs		425,193	

This page intentionally left blank